

**Update on Q4 and 2019 Market
Conditions**

January 7, 2020

Forward Looking Information, Risk and Uncertainties

Certain information regarding Linamar set forth in this presentation and oral summary, including management's assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from these anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions, may in turn have a material adverse effect on the Company's financial results. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements. Content is protected by copyright and may not be reproduced or repurposed without express written consent by the Company.

Q4 2019 Market Summary

Market conditions continue to deteriorate

Headwinds from market conditions in the Access Equipment and Automotive industries proved more challenging in the 4th quarter than the expectations reviewed on the Linamar Q3 Earnings call held on November 6, 2019. The following pages are intended to provide a brief overview of industry conditions according to industry forecasters:

- Access Market
 - Double digit market declines expected at a further deteriorated level

- Agriculture Market
 - Global trade uncertainty, inventory levels, weather and challenging harvest conditions continue to weigh negatively on the sector outlook in North America.

- Automotive Market
 - UAW strike at GM in North America which began in September is the most notable negative impact on the 4th quarter.
 - The strike officially ended on October 25th but a slow re-start on some GM production line schedules pushed the Q4 impact closer to nearly 30 days **more** than felt in Q3
 - As previously stated the strike impact is estimated to impact Linamar earnings at a rate of up to \$1 M CAD/day
 - Global Light Vehicle production in Q4-19 and 2019E full year expected to be down from previous Q4 forecast published in September



Access Market

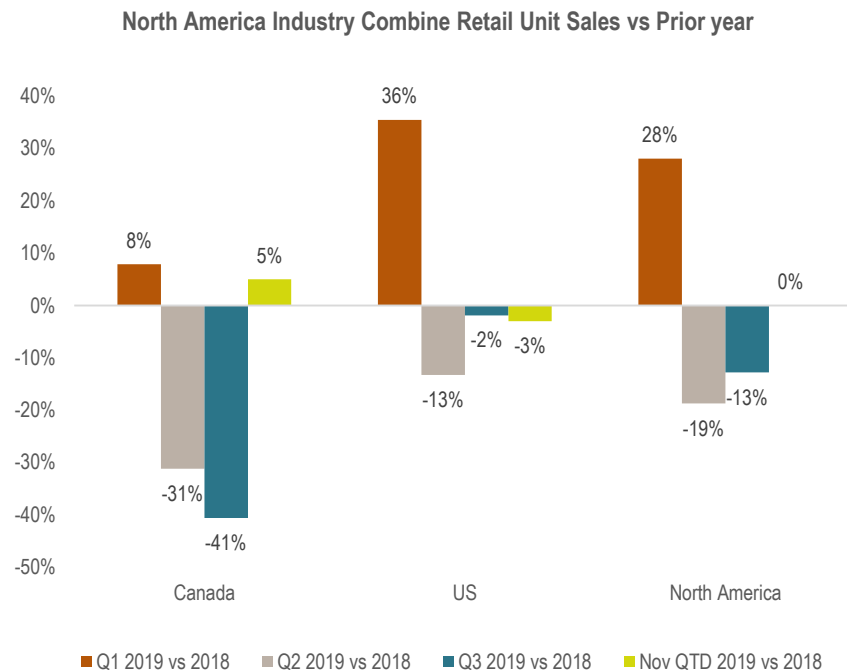
- The Access Market in North America and particularly in Europe for core scissor and boom products has continued to weaken based on estimates for October and November vs the same period in 2018¹
 - Industry volumes now expected to be down in the range of 20-30% in Q4 for these products and markets in aggregate.
- Rental Company Capital Expenditure:
 - Key construction equipment rental customers have continued to reduce their planned 2019 capital expenditure plan spend.
 - Rental consolidation impacting fleet expenditure in both North America and Europe.

Note 1: Industry estimates based on Internal Calculations for North America and Europe regions. Comparison of cumulative 2 months end October and November vs same period 2018. October and November is only industry comparison available at the time of this report publication. Forecast data is a consolidation of internal management projections and industry forecasted statistics.



Agriculture Market

- In MacDon's primary North American market, global trade wars and high inventory levels are proving challenging market factors to overcome.
- Following steep declines in both Q2 and Q3, North American Combine Industry Retail Sales are flat for two months ended October and November vs same period in 2018²
 - Combine sales are a key industry indicator for MacDon's product demand
- The US Department of Agriculture recently issued subsidies to farmers as compensation for the US-China trade war impact.
 - Subsidies on their own however are unlikely to positively influence equipment buying decisions anytime soon given difficult crop and weather conditions which continue to persist

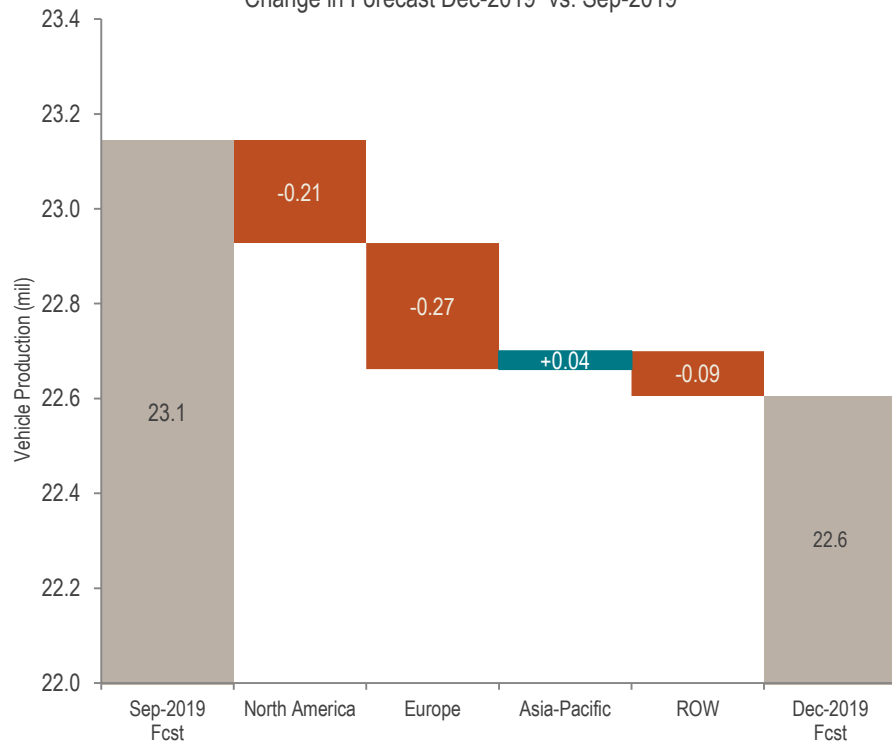


Note 2: Industry estimates based on Industry Reports for Combine Retail Sales Report for Canada and U.S. Markets. Comparison of cumulative 2 months end October and November vs same period 2018. October and November are only industry data available at the time of this report publication (January 7, 2020).

Automotive Market: Q4 2019 Down 540,000 Units vs Prior Forecast

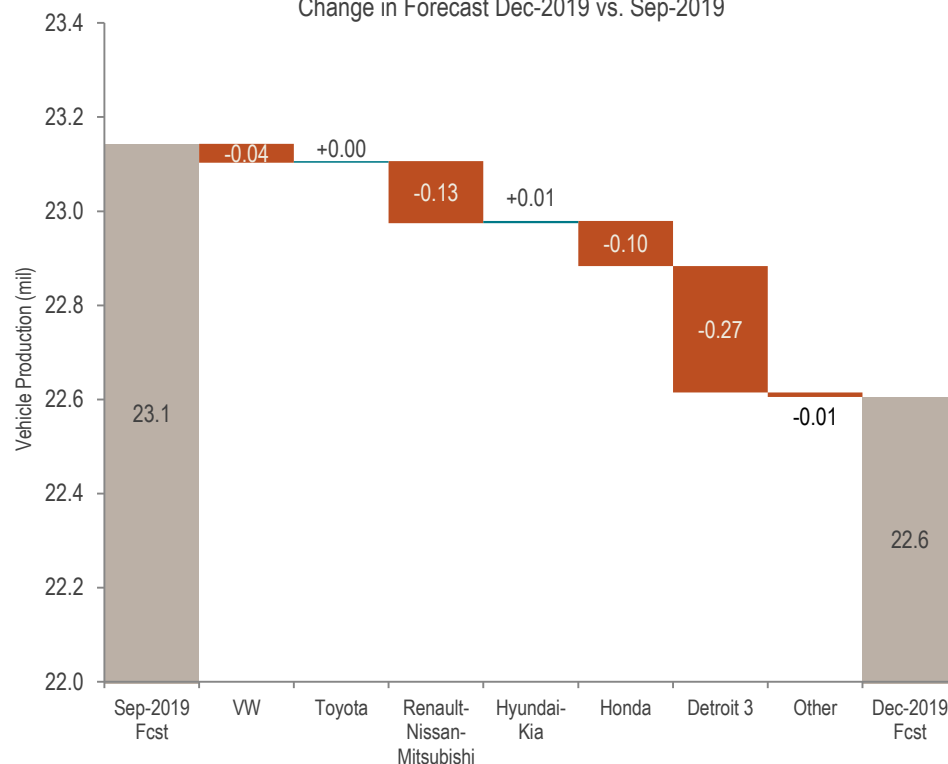
Q4-2019 Global Vehicle Production Forecast By Region

Change in Forecast Dec-2019 vs. Sep-2019



Q4-2019 Global Vehicle Production Forecast By OEM (Global Top 8)

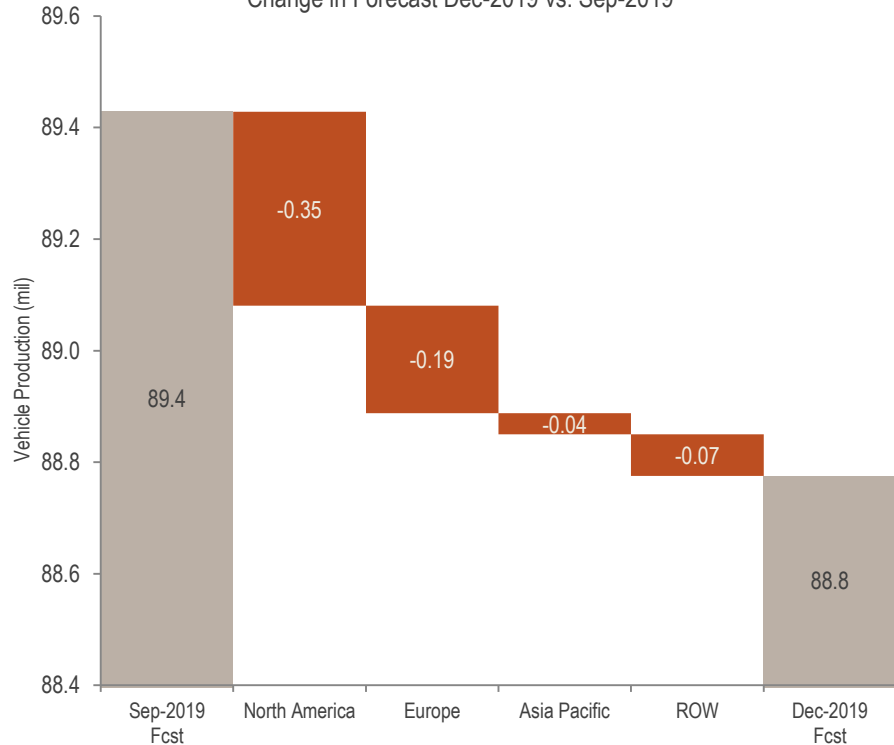
Change in Forecast Dec-2019 vs. Sep-2019



Automotive Market: 2019 Full Year Down 650,000 Units vs Prior Forecast

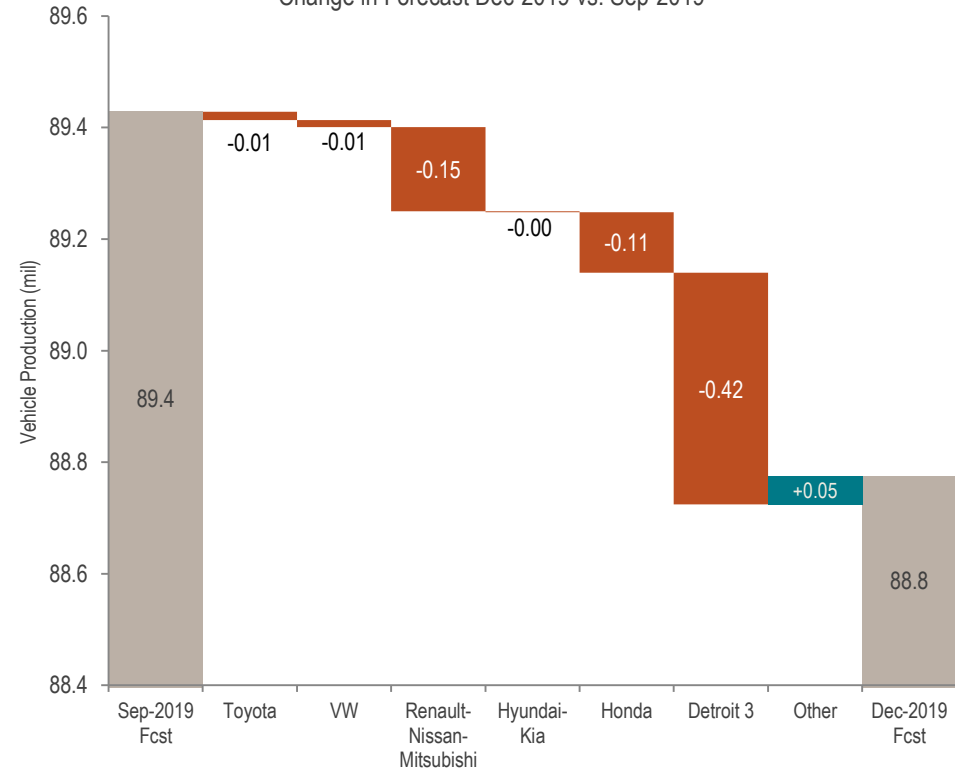
2019 Global Vehicle Production Forecast By Region

Change in Forecast Dec-2019 vs. Sep-2019



2019 Global Vehicle Production Forecast By OEM (Global Top 8)

Change in Forecast Dec-2019 vs. Sep-2019





For More Information, Visit:
www.linamar.com

  @linamarcorp
  Linamar Corporation